CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT

December 6, 2012 Meeting Agenda Item 4

SUBJECT: Port Theater Alcohol Service - (PA2012-070)

SITE

LOCATION: 2905 E. Coast Highway

Minor Use Permit No. UP2012-009

APPLICANT: Pand Realty LLC

PLANNER: Makana Nova, Assistant Planner

(949) 644-3249, mnova@newportbeachca.gov

PROJECT SUMMARY

A minor use permit for the Port Theater to allow the addition of a Type 47 (On-Sale General) Alcoholic Beverage Control License in conjunction with food service at a landmark theater. The requested hours of operation for alcohol service are from 8:00 a.m. to 11:00 p.m., daily. The existing theater operates from 8:00 a.m. to 2:00 a.m., daily. Alcohol service during theater shows would be provided on the second floor mezzanine and access to this area would be limited to patrons 21 years of age and older. Alcohol service is also proposed throughout the theater (both the first and second level) during theater shows that are limited to patrons over the age of 21.

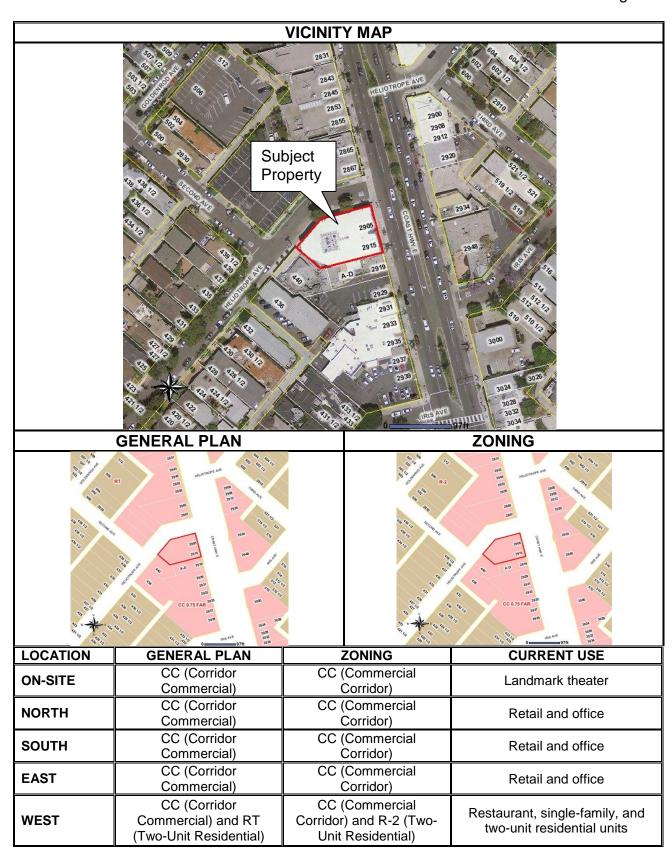
RECOMMENDED ACTION

- 1) Conduct a public hearing; and
- 2) Adopt Resolution No. ___ approving Minor Use Permit No. UP2012-009 Attachment No. PC 1).

INTRODUCTION

Project Setting

The subject property is bounded by East Coast Highway and Heliotrope Avenue. Office and retail uses are located along East Coast Highway to the north, south, and east. An existing restaurant and residential units are located to the west of the subject property. The property is 8,205 square feet (approximately 0.19 acres) in area and is developed with a 10,893-square-foot landmark theater. No parking is provided on-site.



Background

The existing building has historically been utilized as a theater. According to County records, the building was originally constructed in 1949 and contained over 900 seats without the benefit of on-site parking. Both live and cinematic performances were historically held at the theater.

The theater closed in 1998 and remained vacant for over a decade. The Port Theater was remodeled and reopened in July of 2012 on the basis that they were considered a landmark under Section 20.38.070 (Landmark Structures) of the Zoning Code. The remodeled theater is consistent with the requirements of the Landmark Structures ordinance where parking demand, seating, and occupant loads are below that prior to the remodel of the theater. Thus, on-site parking was not required for the theater use to resume.

The theater was remodeled as a luxury theater with mobile leather seats. The remodeled theater is permitted an occupant load of 350 persons. Up to 12 events per year may exceed the 350 person occupant load with the approval of a special event permit. The theater has six varying floor plans approved for the first level that allows flexibility for a variety of showings. Five of the lower level plans provide seats ranging from from 108 seats to 300 seats. The sixth plan does not contain seats and has standing area for up to 500 people (although they must maintain no more than 350 people without a special event permit). The gross floor area of the establishment is 10,893 square feet, the interior seating areas total 7,491 square feet, and the entry lobby is 1,366 square feet in area. The theater provides a bar and concessions stand within the entry lobby and 46 fixed seats on the upper level mezzanine that includes a second bar and concessions stand.

Project Description

The applicant requests a minor use permit to allow the addition of a Type 47 (On-Sale General) Alcoholic Beverage Control License that includes beer, wine, and liquor in conjunction with concessions food service at the landmark theater. The requested hours of operation for alcohol service are from 8:00 a.m. to 11:00 p.m., daily. The applicant proposes to maintain the current hours of operation for the business from 8:00 a.m. to 2:00 a.m., daily, for theater showings.

Alcohol service during theater shows would be provided on the second floor mezzanine bar and concessions stand and access to the second floor would be limited to patrons 21 years or older. Alcohol service is also proposed throughout the theater (both the first and second level) during shows that are limited to patrons 21 years or older. The applicant has supplied a description of their request, provided as Attachment No. PC 3. Due to the operational hours for the theater, the characteristics of the use, the location of the theater, and the sensitivity of the community, this application has been referred to the

Planning Commission by the Zoning Administrator for consideration and action. Refer to the Zoning Administrator's memo to the Planning Commission (Attachment No. PC 4.)

DISCUSSION

Consistency with General Plan/Coastal Land Use Plan/Zoning

The site is designated CC (Corridor Commercial) by the General Plan Land Use Element, the Coastal Land Use Plan, and the Zoning Code. These designations are intended to provide for areas appropriate for a range of neighborhood-serving retail and service uses along street frontages that are located and designed to foster pedestrian activity. The existing theater is consistent within these designations and is a permitted use within the CC zoning district. The proposed alcohol service is consistent with these land use designations. Inasmuch as this subject property is located within the Coastal Zone, this request to serve alcohol is not considered an intensification of the existing theater use. Thus, Coastal Commission approval will not be required.

The Zoning Code requires a minor use permit for food service uses with alcohol service with no late hours up to 11:00 p.m. However, the code is silent regarding alcohol service within theaters. The Community Development Director determined that a minor use permit was the appropriate discretionary permit application for the proposed use.

Findings

Alcohol Sales

In order to approve a use permit for alcohol sales, the Planning Commission must find that the use is consistent with the purpose and intent of Section 20.48.030 (Alcohol Sales). In accordance with Section 20.48.030 (Alcohol Sales), the Planning Commission must make the following finding for approval of a new alcoholic beverage license:

1. The use is consistent with the purpose and intent of Section 20.48.030 (Alcohol Sales of the Zoning Code.

The purpose and intent of Section 20.48.030 (Alcohol Sales) is to preserve a healthy and safe environment for residents and businesses by establishing a set of consistent standards for the safe operation of retail alcohol sales establishments. In finding that the proposed use is consistent with Section 20.48.030 (Alcohol Sales) of the Zoning Code, the following criteria must also be considered:

- a) The crime rate in the reporting district and adjacent reporting districts as compared to other areas in the City.
- b) The numbers of alcohol-related calls for service, crimes, or arrests in the reporting district and in adjacent reporting districts.

- c) The proximity of the establishment to residential zoning districts, day care centers, hospitals, park and recreation facilities, places of worship, schools, other similar uses, and any uses that attract minors.
- d) The proximity to other establishments selling alcoholic beverages for either offsite or on-site consumption.
- e) Whether or not the proposed amendment will resolve any current objectionable conditions.

The establishment is located within Police Department Reporting District 44 (RD 44), which includes Old Corona del Mar. For a map of the City of Newport Beach Reporting Districts, see Attachment No. PC 5. A summary of alcohol related statistics from 2011 is provided in Attachment No. PC 6. The Police Department does not object to the operations as proposed by the applicant.

The part one crimes rate, DUI/drunk arrests, calls for service, and per capita ratio of alcohol licenses in RD 44 for 2011 were higher than the three adjacent reporting districts. However, these same statistics are below the Citywide reporting district averages. The higher crime rate within this reporting district in comparison to adjacent districts is largely due to the number of visitors to Old Corona del Mar, the fact that East Coast highway bisects the reporting district, and Corona Del Mar State Beach draws thousands of visitors annually. Additionally, there is a higher concentration of restaurants and commercial uses in RD 44, compared to adjacent districts, which are predominantly if not completely developed with residential or institutional uses. For calendar years 2011 and 2012 (year-to-date), the Police Department reported one call for service to the theater in each year.

Homes are located 60 feet west of the subject property on Heliotrope Avenue. The project site is not located in close proximity to a daycare center or hospital. Sherman Gardens is located approximately 780 feet to the north. Corona del Mar State Beach and the Oasis Senior Center are located approximately 1,500 feet to the west and east, respectively. The nearest church, Our Lady of Mount Carmel Church, is located 375 feet to the northeast on Heliotrope Avenue across East Coast Highway. The nearest school, Harbor View Elementary School, is located 1,000 feet to the northeast. The theater is surrounded by other commercial retail and office uses along East Coast Highway.

The location of the theater is in close proximity to several establishments with alcohol licenses including Port Restaurant, The Place, and Mayur. There are 26 total alcohol licenses within RD 44 and the alcohol statistics indicate an over concentration of alcohol licenses. However, due to the type of license, a formal finding of public convenience and necessity is not required by the Department of Alcoholic Beverage Control to be made by the City.

The Police Department has thoroughly reviewed the proposed operation and has no objections. Refer to Attachment No. PC 7 for a copy of the Police Department Recommendation. The recommended conditions require all employees serving alcohol to be at least 21 years of age and receive ABC-required Licensee Education on Alcohol and Drugs (LEAD) training. Additionally, the Police Department will also require a security plan with provisions for licensed security personnel, security personnel attire, and a ratio for security personnel to patrons. The security plan will also address enhanced control of noise, loitering, litter, disorderly conduct, parking/circulation, and other potential disturbances resulting from the establishment.

Staff believes this finding can be made and that it is appropriate to allow the alcohol service within the existing theater because it was originally designed to accommodate a theater use and will be conditioned to remain consistent with this primary use. While the proposed establishment is located in close proximity to other establishments selling alcoholic beverages, staff believes the physical and operational characteristics of the establishment would make the service of alcoholic beverages acceptable. The service of alcoholic beverages would provide additional menu options for patrons and would enhance the economic viability of the business. The draft resolution includes conditions of approval to minimize alcohol related problems and ensure that the use remains compatible with the surrounding community.

Use Permit Findings

In accordance with Section 20.52.020 (Conditional Use Permits and Minor Use Permits), the Planning Commission must also make the following findings for approval of a minor use permit:

- 1. The use is consistent with the General Plan and any applicable specific plan.
- 2. The use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning Code and the Municipal Code.
- 3. The design, location, size, and operating characteristics of the use are compatible with the allowed uses in the vicinity.
- 4. The site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities.
- 5. Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed use.

The proposed use is consistent with the General Plan, Local Coastal Program Coastal Land Use Plan, and Zoning Code. Although crime and ABC licenses are higher than adjacent districts, the crime statistics for RD 44 are lower than the Citywide crime rate. The statistics relative to adjacent districts are directly attributed to the large commercial district located in RD 44, East Coast Highway, and the number or visitors to Corona del Mar State Beach. The existing theater is in the heart of a commercial area within Old Corona del Mar and is a permitted use consistent with the landmark structures ordinance.

Alcohol sales will be within the existing theater, which will be conditioned to minimize the impacts and limit objectionable conditions to the neighborhood. The 11:00 p.m. cutoff for alcohol service will help ensure late night operations do not contribute to neighborhood issues within Corona del Mar. The applicant does not propose dancing, thereby eliminating the probability for the establishment to evolve into a nightclub. The theater will maintain its current occupant loads with or without alcohol service and a security plan will be provided to the satisfaction of the Police Department. Emergency access and all required utilities are provided.

Alcohol service will be provided as a convenience to the public and provides additional choices for patrons. Staff is recommending approval given the limited hours for alcohol service, required security plan, designated alcohol service areas, and the fact that the site was a theater and it retains the infrastructure and occupant load for a theater with the addition of alcohol service to its menu. Staff believes the findings for approval can be made and the facts in support of the required findings are presented in the draft resolution (Attachment No. PC 1).

Alternatives

The following alternatives are available to the Planning Commission should they feel the facts are not in evidence of support for the project application:

- The Planning Commission may suggest specific operational changes that are necessary to alleviate any concerns. If any additional requested changes are substantial, the item could be continued to a future meeting. Should the Planning Commission choose to do so, staff will return with a revised resolution incorporating new findings and/or conditions.
- 2. If the Planning Commission believes that there are insufficient facts to support the findings for approval, the Planning Commission should deny the application and provide facts in support of denial to be included in the attached draft resolution for denial (Attachment No. PC 2).

Environmental Review

The project is categorically exempt under Section 15301, of the California Environmental Quality Act (CEQA) Guidelines - Class 1 (Existing Facilities). The Class 1 exemption includes the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use. The proposed application involves the addition of on-site alcoholic beverage service to an existing theater. Therefore, the use qualifies for a categorical exemption under Class 1.

If denied, projects which a public agency rejects or disapproves are not subject to the CEQA review, pursuant to Section 15270 of the CEQA Guidelines.

Public Notice

Notice of this hearing was published in the Daily Pilot, mailed to property owners within 300 feet of the property and posted at the site a minimum of 10 days in advance of this hearing consistent with the Municipal Code. Additionally, the item appeared upon the agenda for this meeting, which was posted at City Hall and on the City website.

Prepared by:

Submitted by:

Makana Nova Assistant Planner

Brenda Wisneski, AICP, Deputy Director

ATTACHMENTS

- PC 1 Draft Resolution for Approval with Findings and Conditions
- PC 2 Draft Resolution for Denial
- PC 3 Correspondence Memo and Applicant's Project Description
- PC 4 Zoning Administrator's Memo
- PC 5 Newport Beach Reporting Districts
- PC 6 Alcohol Related Statistics
- PC 7 Police Department Recommendation
- PC 8 Site Photos
- PC 9 Project plans

Attachment No. PC 1

Draft Resolution for Approval with Findings and Conditions

RESOLUTION NO. ####

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH APPROVING MINOR USE PERMIT NO. UP2012-009 TO ALLOW A TYPE 47 (ON-SALE GENERAL) ALCOHOL LICENSE LOCATED AT 2905 EAST COAST HIGHWAY (PA2012-070)

THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH HEREBY FINDS AS FOLLOWS:

SECTION 1. STATEMENT OF FACTS.

- 1. An application was filed by Pand Realty, LLC, with respect to property located at 2905 East Coast Highway, requesting approval of a minor use permit. The property is legally described as Lot 1, Block G, Tract 323, in the City of Newport Beach, County of Orange, State of California, as shown on a map recorded in Book 14, Pages 40 and 41 of miscellaneous maps, records of Orange County, California. Excepting therefrom the portion of the 14-foot alley abutting said Lot 1 on the southwest, vacated by the City of Newport Beach. Also excepting therefrom the following: beginning at the most westerly corner of said Lot 1; thence northeasterly along the northwesterly line of said lot, a distance of 50 feet to a point; thence southeasterly along a line parallel with the rear or alley line of said lot and the prolongation thereof to its intersection with the southerly line of said lot; thence westerly along the southerly line of said lot to its intersection with the rear or alley line of said lot; thence northwesterly along said rear or alley line of said lot to the point of beginning.
- 2. The request is for a minor use permit for the Port Theater to allow the addition of a Type 47 (On-Sale General) Alcoholic Beverage Control License in conjunction with food service at a landmark theater. The requested hours of operation for alcohol service are from 8:00 a.m. to 11:00 p.m., daily. The existing theater operates from 8:00 a.m. to 2:00 a.m., daily. Alcohol service during theater shows would be provided on the second floor mezzanine and access to this area would be limited to patrons 21 years of age and older. Alcohol service is also proposed throughout the theater (both the first and second level) during theater shows that are limited to patrons over the age of 21.
- 3. The subject property is located within the Commercial Corridor (CC) Zoning District and the General Plan Land Use Element category is Corridor Commercial (CC).
- 4. The subject property is located within the coastal zone. The Coastal Land Use Plan category is Corridor Commercial (CC-B).
- 5. A public hearing was held on December 6, 2012 in the City Hall Council Chambers, 3300 Newport Boulevard, Newport Beach, California. A notice of time, place and purpose of the meeting was given in accordance with the Newport Beach Municipal Code. Evidence, both written and oral, was presented to, and considered by, the Planning Commission at this meeting.

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION.

- 1. This project has been determined to be categorically exempt under the requirements of the California Environmental Quality Act under Class 1 (Existing Facilities).
- 2. The proposed project involves the addition of on-site alcoholic beverage service to an existing theater. Therefore, the use qualifies for a categorical exemption under Class 1.

SECTION 3. REQUIRED FINDINGS.

Alcohol Service

In accordance with Section 20.48.030 (Alcohol Sales) of the Newport Beach Municipal Code, the following findings and facts in support of the findings for a use permit are set forth:

<u>Finding</u>

A. The use is consistent with the purpose and intent of Section 20.48.030 (Alcohol Sales of the Zoning Code.

Facts in Support of Finding

In finding that the proposed use is consistent with Section 20.48.030 (Alcohol Sales) of the Zoning Code, the following criteria must be considered:

- i. The crime rate in the reporting district and adjacent reporting districts as compared to other areas in the City.
- 1. The establishment is located within Police Department Reporting District 44 (RD 44). Due to the high concentration of commercial land uses, the calls for service, number of arrests, and crime rate are greater than adjacent residential Reporting Districts. The theater is located in the heart of Corona del Mar and East Coast Highway bisects RD44. Corona del Mar State Beach is also located in this reporting district, which draws thousands of visitors annually. While the crime rate is higher than adjacent residential reporting districts, the crime rate for RD 44 is lower than the Citywide crime rate and the Newport Beach Police Department does not consider the number significant given the type of development within this Reporting District.
- ii. The numbers of alcohol-related calls for service, crimes, or arrests in the reporting district and in adjacent reporting districts.
- Due to the high concentration of commercial land uses, the calls for service, number of arrests, and crime rate are greater for RD 44 than for adjacent residential Reporting Districts; however, the Newport Beach Police Department does not consider the number significant given the type of development within this Reporting District.

iii. The proximity of the establishment to residential zoning districts, day care centers, hospitals, park and recreation facilities, places of worship, schools, other similar uses, and any uses that attract minors.

Residential units are located 60 feet west of the subject property on Heliotrope Avenue. The project site is not located in close proximity to a daycare center, hospital, or park. Sherman Gardens is located approximately 780 feet to the north of the subject property. Corona del Mar State Beach and the Oasis Senior Center are located in the vicinity approximately 1,500 feet to the west and east, respectively. The nearest church, Our Lady of Mount Carmel Church, is located 375 feet to the northeast of the subject property on Heliotrope Avenue across East Coast Highway. The nearest school, Harbor View Elementary School, is located 1,000 feet to the northeast of the subject property. The proposed use is surrounded by other commercial retail and office uses along East Coast Highway. Old Corona del Mar is generally characterized by a high number of visitors, in which commercial and residential zoning districts are located in close proximity to one another.

- iv. The proximity to other establishments selling alcoholic beverages for either off-site or on-site consumption.
- 1. There are three other establishments in the vicinity which provide alcohol service to patrons. These include the Port Restaurant, The Place, and Mayur. While the proposed establishment is located in close proximity to other establishments selling alcoholic beverages, the theater is a destination point for Old Corona del Mar, the use is different than other establishments selling alcoholic beverages, and the service of alcoholic beverages is acceptable for this location.
- v. Whether or not the proposed amendment will resolve any current objectionable conditions
- 1. The addition of alcohol service is a new request to an existing theater use. As such, there are currently no objectionable conditions on-site related to the service of alcohol.
- 2. The theater is adjacent to a highly-traveled commercial area along East Coast Highway. It is anticipated that the establishment will serve residents and visitors within the vicinity. The addition of alcohol service to the concessions menu will complement the food service and provide convenience to patrons of the theater.

Minor Use Permit

In accordance with Section 20.52.020.F (Findings and Decision) of the Newport Beach Municipal Code, the following findings and facts in support of the findings for a minor use permit are set forth:

Finding

B. The use is consistent with the General Plan and any applicable specific plan;

Facts in Support of Finding

- 1. The General Plan Land Use Element designates the subject property as Corridor Commercial (CC), which is intended to provide a range of neighborhood-serving retail and service uses along street frontages that are located and designed to foster pedestrian activity. The existing landmark theater is consistent with the land uses permitted in the CC land use designation.
- 2. The addition of alcohol service to the existing landmark theater and food concessions is compatible with the land uses permitted within the surrounding neighborhood.
- 3. The subject property is not part of a specific plan area.

Finding

C. The use is allowed within the applicable zoning district and complies with all other applicable provisions of this Zoning Code and the Municipal Code;

Facts in Support of Finding

- The zoning designation for the subject property is Commercial Corridor (CC), which is intended to provide for areas appropriate for a range of neighborhood-serving retail and service uses along street frontages that are located and designed to foster pedestrian activity. The existing landmark theater is a permitted use within the CC zoning district and is consistent with the standards of the Landmark Structures ordinance.
- 2. The project has been conditioned to limit objectionable conditions resulting from the service of alcohol at the theater and is required to comply with all applicable Municipal regulations.
- 3. The proposed use is consistent with the standards and permit requirements of Section 20.48.030 (Alcohol Sales) of the Zoning Code.

Finding

D. The design, location, size, and operating characteristics of the use are compatible with the allowed uses in the vicinity;

Facts in Support of Finding

- 1. The allowed uses in the vicinity include retail, office, and restaurant commercial uses. The existing theater and the proposed alcohol service are consistent with these surrounding land uses.
- 2. The remodeled theater is consistent with the requirements of Section 20.38.070 (Landmark Structures) of the Zoning Code, where parking demand, seating, and occupant loads are well below that prior to the remodel of the theater. Thus, on-site parking is not required for the theater use to continue.
- 3. A theater has operated in this location since 1949. The theater was recently remodeled and reopened in July of 2012.
- 4. Alcohol service within the theater will be restricted to the hours between 8:00 a.m. and 11:00 p.m., daily.
- 5. The operational conditions of approval recommended by the Police Department relative to the sale of alcoholic beverages will ensure compatibility with the surrounding uses and minimize alcohol related impacts. The project has been conditioned to ensure that the business remains a theater and does not become a bar, club, or tavern.
- 6. The applicant will obtain Health Department approval. The establishment will comply with the California Building Code and requirements of the Alcoholic Beverage Control Department to ensure the safety and welfare of customers and employees within the establishment.

<u>Finding</u>

E. The site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities; and

Facts in Support of Finding

- 1. The theater renovation was checked for compliance with all life safety requirements during plan check and field inspections. Site access is provided by two public streets. Adequate public and emergency vehicle access, public services, and utilities are provided within the existing tenant space.
- 2. Tenant improvements are not required for the addition of alcohol service to the existing theater. The establishment will comply with all Building, Public Works, and Fire Codes. All ordinances of the City and all conditions of approval will be complied with.

<u>Finding</u>

F. Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, a safety, or general welfare of persons residing or working in the neighborhood of the proposed use.

Facts in Support of Finding

- The project has been reviewed and includes conditions of approval to ensure that potential conflicts with the surrounding land uses are minimized to the greatest extent possible. The operator is required to take reasonable steps to discourage and correct objectionable conditions that constitute a nuisance in parking areas, sidewalks and areas surrounding the subject property and adjacent properties during business hours, if directly related to the patrons of the establishment.
- 2. Alcohol service within the theater will serve the surrounding neighborhood of Corona del Mar. The proposed establishment will provide alcohol service as a public convenience to the surrounding neighborhood. The service of alcohol will provide an economic opportunity for the property owner to maintain a successful business that is compatible with the surrounding community.
- 3. Alcohol service will not be provided after 11:00 p.m., daily, preventing late night detrimental impacts to the neighborhood.

SECTION 4. DECISION.

NOW, THEREFORE, BE IT RESOLVED:

- 1. The Planning Commission of the City of Newport Beach hereby approves Minor Use Permit No. UP2012-009 (PA2012-070), subject to the conditions set forth in Exhibit A, which is attached hereto and incorporated by reference.
- This action shall become final and effective fourteen days after the adoption of this Resolution unless within such time an appeal is filed with the City Clerk in accordance with the provisions of Title 20 Planning and Zoning, of the Newport Beach Municipal Code.

PASSED, APPROVED AND ADOPTED THIS 6th DAY OF DECEMBER, 2012.

| PASSED, APPROVED AND ADOPTED THIS 0 | DAT OF DECEMBER, 2012. |
|-------------------------------------|------------------------|
| AYES: | |
| NOES: | |
| ABSTAIN: | |
| | |

ABSENT:

| BY:_ | |
|------|--------------------------|
| | Michael Toerge, Chairman |
| | |
| BY: | |
| | Fred Ameri, Secretary |

EXHIBIT "A"

CONDITIONS OF APPROVAL

- 1. The development shall be in substantial conformance with the approved site plan and floor plans stamped and dated with the date of this approval (except as modified by applicable conditions of approval).
- 2. Minor Use Permit No. 2012-009 shall expire unless exercised within 24 months from the date of approval as specified in Section 20.54.060 (Time Limits and Extensions) of the Newport Beach Municipal Code, unless an extension is otherwise granted.
- 3. The project is subject to all applicable City ordinances, policies, and standards, unless specifically waived or modified by the conditions of approval.
- The applicant shall comply with all federal, state, and local laws. Material violation of any of those laws in connection with the use may be cause for revocation of this Minor Use Permit.
- 5. This Minor Use Permit may be modified or revoked by the Planning Commission should they determine that the proposed uses or conditions under which it is being operated or maintained is detrimental to the public health, welfare or materially injurious to property or improvements in the vicinity or if the property is operated or maintained so as to constitute a public nuisance.
- 6. Should the property be sold or otherwise come under different ownership, any future owners or assignees shall be notified of the conditions of this approval by either the current business owner, property owner or the leasing agent.
- 7. There shall be no alcoholic beverage sales permitted after 11:00 p.m.
- 8. No more than two alcoholic beverages shall be sold or served to any one person at any one time.
- 9. On the second level mezzanine, alcoholic beverage service and consumption shall be permitted, which shall only be accessible by patrons 21 years or older. On the lower level of the theater, alcoholic beverage service and consumption shall only be permitted when the shows or screenings are restricted to patrons 21 years and older.
- 10. Alcoholic beverage service in the lower level theater shall not be permitted for any public event or screenings when patrons or persons under 21 years old are present. Alcoholic beverage service may be offered on the second level mezzanine, accessible only to patrons 21 years or older. Access to the second level mezzanine during such events shall be strictly monitored.

- 11. Prior to implementation of this Minor Use Permit, a comprehensive security plan for the permitted uses shall be submitted to the Newport Beach Police Department for review and approval.
- 12. All owners, managers and employees selling alcoholic beverages shall be over the age of 21 and undergo and successfully complete a certified training program in responsible methods and skills for selling alcoholic beverages. The certified program must meet the standards of the California Coordinating Council on Responsible Beverage Service or other certifying/licensing body, which the State may designate. Records of each owner's, manager's and employee's successful completion of the required certified training program shall be maintained on the premises and shall be presented upon request by a representative of the City of Newport Beach.
- 13. Approval does not permit the venue to operate as a bar, tavern, cocktail lounge, or nightclub as defined by the Newport Beach Municipal Code, unless the Planning Commission first approves such permit.
- 14. Alcohol service and consumption shall only be permitted in conjunction with theater screenings, live shows, and other actual events. At no time shall stand alone alcohol service and consumption be permitted. This condition does not prohibit alcohol service and consumption during show intermissions and other routine breaks in entertainment.
- 15. The sale of alcoholic beverages for consumption off the premises is prohibited.
- 16. The applicant shall not share any profits or pay any percentage or commission to any outside promoter or any other person based upon monies collected as a door charge, cover charge, or any other form of admission charge, including minimum drink orders or the sale of drinks.
- 17. The quarterly gross sales of alcoholic beverages shall not exceed the gross sales of food during the same period. The licensee shall at all times maintain records, which reflect separately the gross sales of food and the gross sales of alcoholic beverages of the licensed business. These records shall be kept no less frequently than on a quarterly basis and shall be made available to the Police Department on demand.
- 18. There shall be no dancing allowed on the premises at public events.
- 19. Strict adherence to maximum occupancy limits is required.
- 20. All proposed signs shall be in conformance with the approved Comprehensive Sign Program for the project site and provisions of Chapter 20.67 of the Newport Beach Municipal Code.
- 21. There shall be no exterior advertising or signs of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages or signs, which are clearly visible to the exterior shall constitute a violation of this condition.

- 22. The exterior of the business shall be maintained free of litter and graffiti at all times. The owner or operator shall provide for daily removal of trash, litter debris and graffiti from the premises and on all abutting sidewalks within 20 feet of the premises.
- 23. Deliveries and refuse collection for the facility shall be prohibited between the hours of 10:00 p.m. and 8:00 a.m., daily, unless otherwise approved by the Community Development Director, and may require an amendment to this Minor Use Permit.
- 24. Storage outside of the building in the front or at the rear of the property shall be prohibited, with the exception of the required trash container enclosure.
- 25. A Special Event Permit shall be required for any event or promotional activity that involves more than 350 occupants or operates outside the normal operational characteristics of the approved use, as conditioned, or that would attract large crowds, include any form of on-site media broadcast, or any other activities as specified in the Newport Beach Municipal Code to require such permits.
- 26. To the fullest extent permitted by law, the applicant shall indemnify, defend and hold harmless City, its City Council, its boards and commissions, officials, officers, employees, and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs, and expenses (including without limitation, attorney's fees, disbursements, and court costs) of every kind and nature whatsoever which may arise from or in any manner relate (directly or indirectly) to the City's approval of the Port Theater Alcohol Service including, but not limited to, Minor Use Permit No. UP2012-009 (PA2012-070). This indemnification shall include, but not be limited to, damages awarded against the City, if any, costs of suit, attorneys' fees, and other expenses incurred in connection with such claim, action, causes of action, suit, or proceeding whether incurred by applicant, City, and/or the parties initiating or bringing such proceeding. The applicant shall indemnify the City for all of City's costs, attorneys' fees, and damages which City incurs in enforcing the indemnification provisions set forth in this condition. The applicant shall pay to the City upon demand any amount owed to the City pursuant to the indemnification requirements prescribed in this condition.

Attachment No. PC 2

Draft Resolution for Denial

RESOLUTION NO. ####

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH DENYING MINOR USE PERMIT NO. UP2012-009 FOR A TYPE 47 (ON-SALE GENERAL) ALCOHOL LICENSE LOCATED AT 2905 EAST COAST HIGHWAY (PA2012-070)

THE PLANNING COMMISSION OF THE CITY OF NEWPORT BEACH HEREBY FINDS AS FOLLOWS:

SECTION 1. STATEMENT OF FACTS.

- 1. An application was filed by Pand Realty, LLC, with respect to property located at 2905 East Coast Highway, requesting approval of a minor use permit. The property is legally described as Lot 1, Block G, Tract 323, in the City of Newport Beach, County of Orange, State of California, as shown on a map recorded in Book 14, Pages 40 and 41 of miscellaneous maps, records of Orange County, California. Excepting therefrom the portion of the 14-foot alley abutting said Lot 1 on the southwest, vacated by the City of Newport Beach. Also excepting therefrom the following: beginning at the most westerly corner of said Lot 1; thence northeasterly along the northwesterly line of said lot, a distance of 50 feet to a point; thence southeasterly along a line parallel with the rear or alley line of said lot and the prolongation thereof to its intersection with the southerly line of said lot; thence westerly along the southerly line of said lot to its intersection with the rear or alley line of said lot; thence northwesterly along said rear or alley line of said lot to the point of beginning.
- 2. A minor use permit for the Port Theater to allow the addition of a Type 47 (On-Sale General) Alcoholic Beverage Control License in conjunction with food service at a landmark theater. The requested hours of operation for alcohol service are from 8:00 a.m. to 11:00 p.m., daily. The existing theater operates from 8:00 a.m. to 2:00 a.m., daily. Alcohol service during theater shows would be provided on the second floor mezzanine and access to this area would be limited to patrons 21 years of age and older. Alcohol service is also proposed throughout the theater (both the first and second level) during theater shows that are limited to patrons over the age of 21.
- 3. The subject property is located within the Commercial Corridor (CC) Zoning District and the General Plan Land Use Element category is Corridor Commercial (CC).
- 4. The subject property is located within the coastal zone. The Coastal Land Use Plan category is Corridor Commercial (CC-B).
- A public hearing was held on December 6, 2012 in the City Hall Council Chambers, 3300 Newport Boulevard, Newport Beach, California. A notice of time, place, and purpose of the meeting was given in accordance with the Newport Beach Municipal Code. Evidence, both written and oral, was presented to, and considered by, the Planning Commission at this meeting.

SECTION 2. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION.

Pursuant to Section 15270 of the California Environmental Quality Act (CEQA) Guidelines, projects which a public agency rejects or disapproves are not subject to CEQA review.

SECTION 3. REQUIRED FINDINGS.

In accordance with Section 20.48.030 (Alcohol Sales), permits are required per Part 2 (Zoning Districts, Allowable Land Uses, and Zoning District Standards). Therefore, the requested alcohol service at an existing landmark theater requires the approval of a minor use permit based on the requirements for a food service establishment with alcohol service and no late hours after 11:00 p.m.

The Planning Commission may approve a minor use permit only after making each of the required findings set forth in Section 20.48.030 (Alcohol Sales) and Section 20.52.020.F (Use Permit, Findings and Decision). In this case, the Planning Commission was unable to make the required findings based upon the following:

- 1. The Planning Commission determined, in this case, that the proposed Minor Use Permit for the addition of a Type 47 (On-Sale General) alcohol license to an existing landmark theater is not consistent with the legislative intent of Title 20 of the Newport Beach Municipal Code. The proposed project may prove detrimental to the community.
- 2. The design, location, size, and characteristics of the proposed project are not compatible with the single-family residences and commercial uses in the vicinity. The addition of alcohol service may result in negative impacts to residents and businesses in the vicinity and would not be compatible with the enjoyment of the nearby residential properties.

SECTION 4. DECISION.

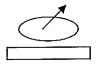
NOW, THEREFORE, BE IT RESOLVED:

- 1. The Planning Commission of the City of Newport Beach hereby denies Minor Use Permit No. UP2012-009 (PA2012-070).
- This action shall become final and effective fourteen days after the adoption of this Resolution unless within such time an appeal is filed with the City Clerk in accordance with the provisions of Title 20 Planning and Zoning, of the Newport Beach Municipal Code.

| PASSED, APPROVED AND ADOPTED THIS 6 th DAY OF DECEMBER, 2012. |
|--|
| AYES: |
| NOES: |
| ABSTAIN: |
| ABSENT: |
| |
| BY: Michael Toerge, Chairman |
| BY: Fred Ameri, Secretary |

Attachment No. PC 3

Correspondence Memo and Applicant's Project Description



Picoco LLC

4343 Von Karman Avenue, 3rd Floor Newport Beach, CA 92660 Tel 949-640-0801 Fax 949-640-0802

October 31, 2012

Zoning Commission City of Newport Beach Community Development Department, Planning Division 3300 Newport Boulevard Newport Beach, CA 92663

Re: Port Theater, UP2012-009 (PA2012-070), Amendment to Limit Alcohol Service Areas

Dear Commission:

Please find below our proposed addition to the project description that was provided to the City on October 11, 2012 in connection with Port Theater's application for the above referenced use permit.

Amendment to Include to Project Description Section F. Security Plan

Alcohol Service Areas. When there are patrons of mixed ages in the theater, Port will limit service of alcohol to only the upstairs mezzanine and bar during public events. Thus, during normal movie showings or related public events, alcohol service and consumption will be limited to the upstairs of Port Theater, and no alcohol will be served or consumed on the lower level. By restricting the service and consumption of alcohol to the upper level of the theater during public events of mixed ages, Port employees can easily and clearly monitor alcohol consumption to ensure that no underage drinking occurs. The upstairs area will be heavily staffed by servers and bartenders with clear visibility of all patrons in the area making it open and obvious if any person who appears to be underage attempts to consume alcohol, and immediate steps can then be taken by Port to ensure that such consumption does not occur.

We hope that providing this additional restriction, compounded with our prior self-imposed restrictions, including the removal of our proposed dance activity, provides the City full confidence in supporting our use permit application and expediting the remainder of this application process prior to the pending expiration of our license application with the Ca. Dept. of Alcohol Beverage Control. In this regard, we look forward to receipt of formal notice scheduling us at the City's Planning Commission hearing on December 6, 2012. If you have any questions pertaining to any of the above, please do not hesitate to contact me.

essica Prause, Esq.

Pand Realty LLC

4343 Von Karman Avenue, 3rd Floor Newport Beach, CA 92660 Tel 949-640-0801 Fax 949-640-0802 RECEIVED BY

September 12, 2012

SEP 1 2 2012

Zoning Commission City of Newport Beach Community Development Department, Planning Division 3300 Newport Boulevard Newport Beach, CA 92663



Dear Commission:

Please find enclosed the revised project description that was requested in the Notice of Incomplete Filing dated June 26, 2012, as well as other information that was separately requested by Makana Nova.

Revised Project Description

The Port Theater was redeveloped with only one purpose in mind – to facilitate a venue in which events such as cinema, performing arts shows, pre- and post-show gatherings, lectures, films, corporate or community meetings, and other public or private events can be enjoyed by the community in a luxurious but relaxed atmosphere. The architecture, lighting, and acoustics of the theater were designed to accommodate the above uses.

Theaters in this day and age have come a long way from theaters of the past, with many theaters currently offering a variety of services and amenities that did not exist in theaters 30 or even 5 years ago. For example, upscale theaters now do not limit their food service to merely popcorn and hotdogs, but instead offer hot meals, gourmet desserts and full beverage service of spirits, beer and wine. The uses that the Port Theater is seeking are critical to the financial and functional viability of the theater given the varied and changing requirements imposed on theaters in today's market.

For example, recently, the city approved and supported the creation of a new theater in Fashion Island with alcohol service rights and a high degree of flexibility in food preparation and program planning similar to what we are requesting in this use permit. This city approval of these capabilities validates that modern theaters need to be able to offer their patrons a variety of updated amenities such as state of the art digital content, varied luxurious seating arrangements, and upgraded gournet food and beverage services. To entice Patrons to leave the cocoons of their homes and choose to visit a theater rather than a variety of other entertainment venues, theaters must offer an exceptional experience, complete with an array of food and beverage offerings. The Port Theater wants to ensure that it has no fewer approvals than those granted to

similarly situated theaters; however, the Port Theater is not currently anticipating seeking uses that would categorize the theater as a bar, tavern, cocktail lounge, or nightclub.

Additionally, in August of 2011, the City of Newport Beach approved similar uses as above for the Balboa Performing Arts Theater (a sister theater with the same designated landmark status as the Port Theater), in order to allow for greater flexibility for the theater's operations including alcoholic service, a rooftop gathering place and an increase to its original volumetric space to ensure the financial viability of the project. The City explicitly recognized the challenges and changing needs imposed on modern community theaters.

Management's Request to the City of Newport Beach

Because we are currently operating and have invested significant sums to rejuvenate the Port Theater, we have elected to limit the hours of alcoholic beverage service to no later than 11:00 PM. Though this significantly reduces our service offerings, we have elected to impose this restriction in order to file this application with the Zoning Administrator and not be subjected to the lengthy public hearing process. As such, the Port Theater requests that the Zoning Administrator approve our application expeditiously.

I. Information Requested in the Notice of Incomplete Filing date June 26, 2012

A. Food and Drink Service

Currently, food and drink is served from the concession stand in the lobby of the theater. If a particular food or beverage item takes some time to prepare, the patron must wait for it in the lobby area and pick it up when it is ready. Please see section "F" for operational protocols regarding alcohol service.

Future upgraded service to patrons may include servers bringing food and drink items to patrons at their seats.

B. Turn-Over Between Performances/Screenings

There are generally between four and six screenings scheduled per day. Once a screening has ended, patrons can exit the theater through two different sets of doors which lead to the lobby. The patrons waiting to see the following screening will only be allowed into the theater once all of the patrons have exited from the prior screening. This allows staff to reset the seating, clean the facilities, and perform other duties.

C. Hours of Operation

The hours of operation for the theater are generally 8:00AM to 2:00AM Monday through Sunday. These hours will vary with the hosting of community events, pre- and post-show gatherings, special television events or private events that may extend the hours of operation until later.

Each function of the theater, including food service, cinema screenings, and live performances will be available during the hours of operation listed above. Alcohol service will conclude by 11:00PM Monday through Sunday.

D. Floor Plans for Specific Events

The theater has five different approved floor plans, and management will decide which floor plan is most appropriate for each type of event prior to the event. The different floor plans provide greater flexibility due to the varied requirements imposed on theaters in today's market. While the Port Theater will show a variety of cinematic content, the theater will be available for other events such as performing arts shows, pre- and post-show gatherings, lectures, films, corporate or community meetings, and other public or private events. The increased flexibility in being able to choose which floor plan is best suited for each event is critical to the function of the theater and will improve the quality of events and patron experience.

Standing Room Occupancy Floor Plan- The standing room only floor plan will be used for events that do not require seating and may include usage as a dance floor as designated on the attached plans. With the dance floor limited to the flat portion of the theater in front of the main seating area, the occupancy count is 384 occupants.

E. Role of Cinema

Cinematic and other entertainment content is at the core of the attraction of the Port Theater for customers. As such, alcohol and gourmet food service are merely extensions of the food and beverage selections typically offered by theaters. Tickets must be purchased by each patron in order to watch screenings.

The theater used to represent a signature event for patrons, who would come dressed up in their finest attire when silent pictures were first shown. Over time, theaters have had to adapt to new and changing entertainment formats as patrons have had access to an ever greater selection of options. With the advent of VHS in the home and then DVD and Blu-ray, which offer high quality pictures, theaters have had to adapt to offer more of a better experience to convince consumers that they should leave the comfort of their homes. Across the industry and the country, the way forward for theaters has been to provide enhanced food and beverage options for patrons, more interesting content selections and to encourage greater community involvement with the theater. Theaters cannot survive unless they offer a reason for consumers to make the theater a part of their routine, which means that theaters need to offer better content, better food, better service and better amenities. The Port Theater has been designed from the ground up in order to meet the demands of today's consumers.

F. Security Plan

The theater has a number of security cameras strategically located throughout the property to provide maximum surveillance capabilities of employee and patron activity. In addition, the exterior doors are alarmed to protect against intrusion.

Alcohol will be served only from trained servers and bartenders who are 21 or over. All servers and bartenders will undergo appropriate alcohol service training (LEAD), including training on how to properly examine identification prior to the serving of alcohol to ensure that only those patrons who are 21 or over will be served. In addition, there will be distinct cups for both alcoholic and nonalcoholic beverages so employees can easily monitor which patrons have which type of beverage. Alcoholic service will only be provided when a designated Port employee is present.

1. <u>Mezzanine Level</u> - Alcohol will be served at the mezzanine bar area where patrons under the age of 21 will not be permitted when alcohol is being served. A barrier will be used at the bottom of the stairs where an employee will verify each patron's identification and only allow those patrons who are 21 and over access to the mezzanine area. The exclusion of minors from the mezzanine area will serve as an effective enforcement mechanism by ensuring that only patrons aged 21 and over will be served alcohol. However, when alcohol is not served at the mezzanine bar area, patrons of all ages will be permitted in the mezzanine area.

In addition, the mezzanine bar area will be under the constant supervision of employees as there will always be at least one employee staffed in the area at all times, making the mezzanine bar an extremely controlled space. Unlike other movie theaters that must send an employee into the theater with a flash light to verify alcohol consumption or patrons' ages, the Port Theater will ensure that the mezzanine space is overseen at all times by employees. Further,

the mezzanine will have enhanced illumination as its lights for the bar area are on a separate circuit to improve the employees' ability to monitor alcohol service.

- 2. <u>Lower Seating</u> Patrons 21 and over will also be permitted to consume alcohol in the lower seating area by ordering a beverage from a server who will deliver the beverage from the mezzanine level. This lower seating area will be sufficiently illuminated to allow servers and other staff members to effectively supervise alcohol consumption.
- 3. <u>Private Events Regarding private events</u>, alcohol is permitted, and a security plan will be developed prior to each event to ensure proper security measures will be in place. The Port Theater will continue to abide by legal non-conforming use for private events.

No alcoholic beverages will be permitted outside of the building at any time. Theater employees will be staffed regularly at entrances and exits to ensure that alcoholic beverages are not taken outside the theater. The Port Theater is committed to ensuring that alcohol is only served in a safe and regulated environment.

G. Maximum Number of Employees

The maximum number of employees on-site during the hours of operation will vary depending on the time of day, day of the week, and occurrence of special events. Port Theater management will ensure that the theater is appropriately staffed at all times.

H. Parking Management

The Port Theater received a landmark designation which was represented to the owner as having the effect of grandfathering certain features such as its parking requirement. The theater owner relied on those grandfathered features when deciding to redevelop the theater

Further, the redevelopment of the Port Theater reduced the demand on parking because of the severe reduction in seating from the original 900+ seats to seating plans allowing up to 367 seats. As a result, there is a significant reduction in the demands that used to be placed on surrounding infrastructure. Often, it is anticipated that the Port Theater will operate with less than 250 occupants.

II. Information requested in Makana Nova's email to Joe Moschella date July 11, 2012

A. Food will be prepared in the kitchen, the kitchen prep pantry, and at the concession stand. All food preparation will be executed in accordance with Orange County Health Care Agency regulations.

- B. There are no changes from Chapter 4 of CPC 2007.
- C. There are no changes from Chapter 11 of CBC 2007.
- D. The mezzanine level will be used for seating and dining and will also serve as a bar. Only those patrons who are 21 years of age and older will be permitted in the mezzanine area

when alcohol service is provided. (See Section "F" above for more details on the mezzanine level). Dancing will not be permitted on the mezzanine level.

A full service kitchen is located on the upper floor slightly above the mezzanine level as shown in previous plans and in the plans submitted in this revised application.

Zoning Administrator's Memo



CITY OF NEWPORT BEACH COMMUNITY DEVELOPMENT DEPARTMENT 3300 NEWPORT BOULEVARD, BLDG. C NEWPORT BEACH, CA 92658-8915 (949) 644-3297

Memorandum

To: Makana Nova, Assistant Planner

From: Brenda Wisneski, Zoning Administrator

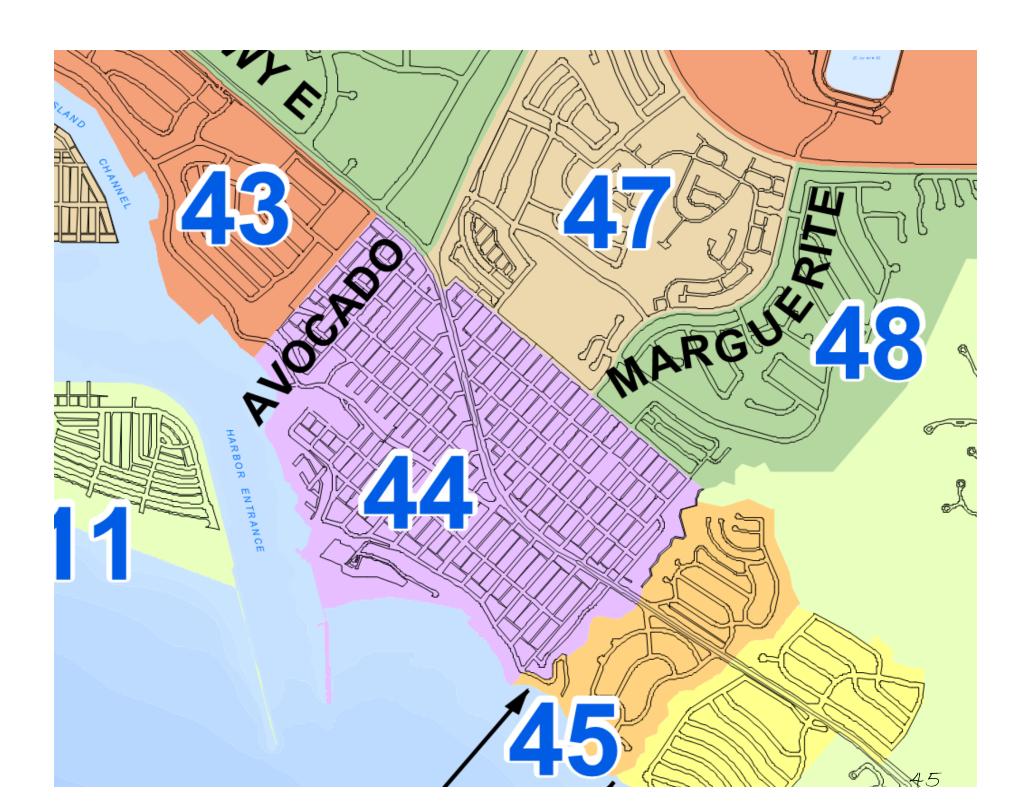
Date: October 9, 2012

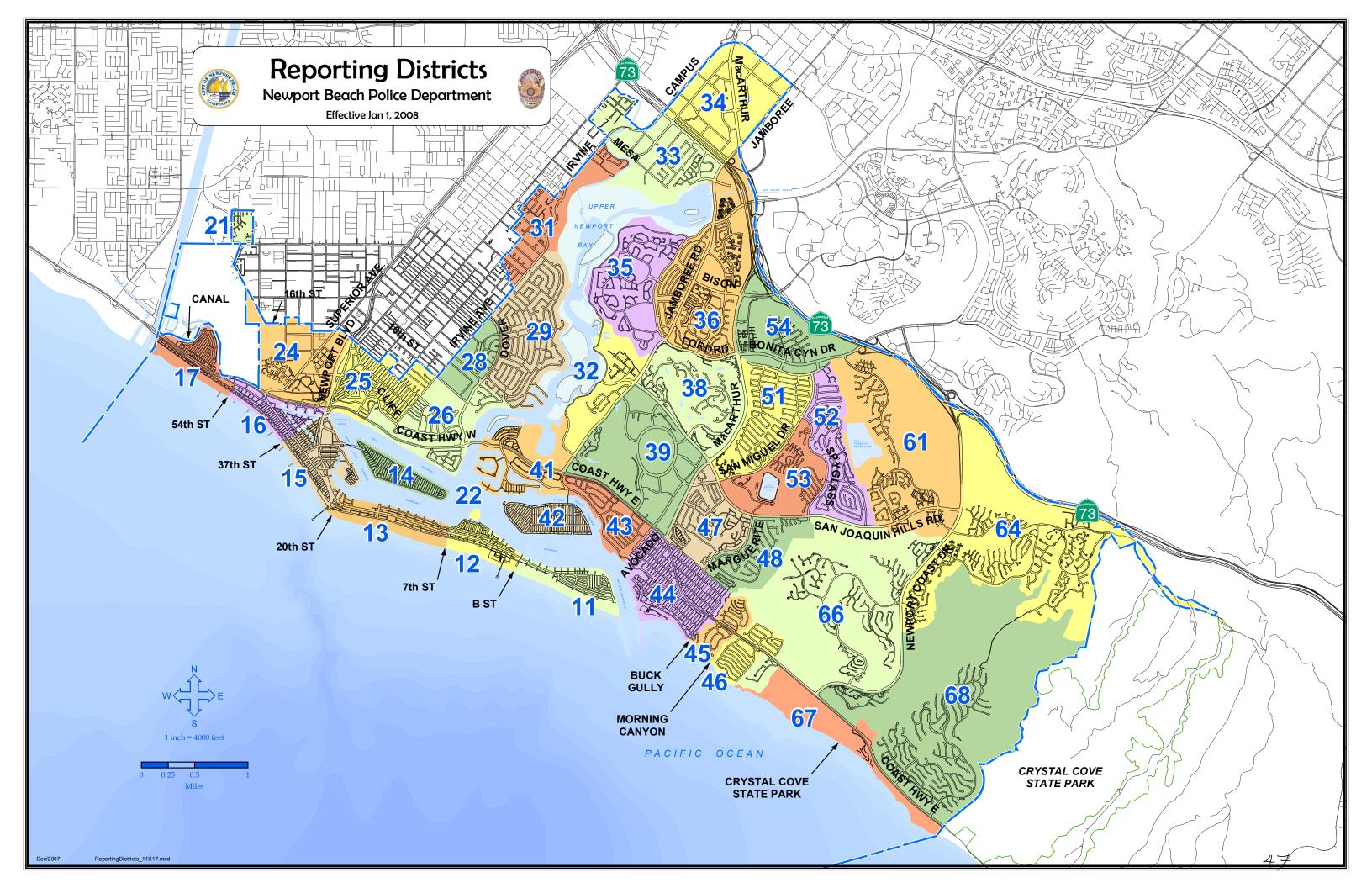
Re: Port Theater Use Permit (PA2012-070) – Referral to Planning Commission

I understand the Port Theater has submitted a minor use permit for the Port Theater to allow the addition of a Type 47 (On-Sale General) Alcoholic Beverage Control License in conjunction with food service at a landmark theater. The requested hours of operation for alcohol service are from 8:00 a.m. to 11:00 p.m., daily. The theater operates from 8:00 a.m. to 2:00 a.m., daily.

Due to the hours of operation for the establishment (operational hours of the theater extend beyond 11:00 p.m. although alcohol service is proposed to end at 11:00 p.m.), the characteristics of the use, the location of the theater in a difficult parking area, and the sensitivity of the community, I feel it is appropriate at this time to refer the review of the minor use permit request to the Planning Commission and to provide the applicant timely review and consideration of their request.

Newport Beach Reporting Districts





Alcohol Related Statistics



NEWPORT BEACH POLICE DEPARTMENT

Crime Analysis Unit





CRIME AND ALCOHOL-RELATED STATISTICS - 2011

| | Calls For | <u>Crimes</u> | | | <u>Arrests</u> | | | | <u>Citations</u> | ABC Info | |
|----------------------|----------------|---------------|----------------|----------------|----------------|-----------|------------------------|------------|--------------------|--------------------|-----------------------|
| Subject: | <u>Service</u> | Part I Crimes | Part II Crimes | Crime Rate | All Arrests | DUI | Public Intoxication | Liquor Law | Alcohol Related | Active Licenses | License Per Capita |
| Port Theater | 1 | 0 | 0 | not applicable | 0 | 0 | 0 | 0 | 0 | 1 | not applicable |
| Subject RD: RD44 | 4,459 | 121 | 209 | 1,888.56 | 185 | 29 | 47 | 1 | 74 | 26 | 246 |
| Adjacent RD: RD43 | 660 | 23 | 25 | 1,196.67 | 20 | 5 | 1 | 0 | 2 | 5 | 384 |
| Adjacent RD: RD45 | 411 | 25 | 20 | 1,230.31 | 11 | 6 | 3 | 0 | 8 | 3 | 677 |
| Adjacent RD: RD47 | 506 | 18 | 15 | 528.63 | 15 | 6 | 0 | 0 | 1 | 3 | 1,135 |
| Newport Beach | 66,374 | 2,405 | 3,343 | 2,816.95 | 3,177 | 643 | 654 | 7 | 1,245 | 394 | 217 |
| California | not available | 1,146,072 | not available | 3,076.38 | 1,357,573 | 195,276 | 105,388 | 17,007 | not available | 44,536 | 836 |
| National | not available | 10,329,135 | not available | 3,345.52 | 13,120,947 | 1,412,223 | 560,718 | 512,790 | not available | not applicable | not applicable |

Summary for Port Theater at 2905 E. Coast Hwy. (RD44)

In 2011, RD44 had a total of 330 reported crimes, compared to a city-wide reporting district average of 152 reported crimes. This reporting district is 178 crimes, or 117%, OVER the city-wide average.

The number of active ABC licenses in this RD is 26, which equals a per capita ratio of one license for every 246 residents. Orange County averages one license for every 504 residents and California averages one license for every 836 residents. This location is within an RD that is OVER the Orange County and California per capita averages of ABC licenses.

Notes:

Part I Crimes are the 8 most serious crimes as defined by the FBI Uniform Crime Report - Homicide, Rape, Robbery, Aggravated Assault, Burglary, Larceny-Theft, Auto Theft, and Arson.

This report reflects City of Newport Beach data for calendar year 2011, which is the most current data available.

California and National figures are based on the 2010 Uniform Crime Report, which is the most recent edition.

Crime Rate refers to the number of Part I Crimes per 100,000 people.

Number of Active ABC Licenses is the total of all types of licenses known to the NBPD as of the date of this document.

Police Department Recommendation

City of Newport Beach Police Department

Memorandum

November 7th, 2012

TO: Makana Nova, Assistant Planner

FROM: Detective Mario Montero

SUBJECT: Port Theatre, 2905 E. Coast Hwy, Corona Del Mar

Use Permit No. UP2012-009 (PA2012-070).

At your request, the Police Department has reviewed the project application for the *Port Theatre,* located at 2905 E. Coast Highway, Corona Del Mar. The applicant is requesting a conditional use permit which would allow the addition of a Type 47 (On-Sale General) Alcoholic Beverage Control License in conjunction with hot food service while operating a single-screen cinema. The proposed hours of operation are 8:00 am to 2:00 am daily. Alcoholic beverages would only be served from 8:00 am until 11:00 pm daily. As proposed the establishment would not operate as a bar and dancing would not be permitted.

I have included a report by Senior Crime Analyst Caroline Staub that provides detailed statistical information related to calls for service in and around the applicant's place of business. This report indicates that the location is within a reporting district where reported crimes are 117% *higher* than the city-wide average. Additionally, this location is also within a reporting district that is over the Orange County and California per capita of ABC licenses.

Applicant History

The establishment is a movie theatre venue, which was first built in 1949. The facility operated as a movie theatre until 1998 at which time it closed down and remained closed until July 2012 when the current operator, Mr. Fariborz Maseeh of Picoco LLC, performed renovations and re-opened again as a movie theatre. The applicant believes the service of alcoholic beverages and gourmet food items is necessary to be competitive and profitable in today's changing market. The permit was originally applied for in June 2012, but the application was incomplete. Since the original application there have been revisions to the applicant's plan. The Port Theatre is not affiliated with the Port Restaurant which is adjacent to the business.

Recommendations

The Police Department has no objection to the operation as described by the applicant. With the conditions listed below it is the opinion of the Police Department that the Port Theatre will not have a negative impact on the community and police services.

Signs and Displays

Any signs or displays would need to conform to City requirements. There shall be no exterior advertising or signs of any kind or type, including advertising directed to the exterior from within, promoting or indicating the availability of alcoholic beverages. Interior displays of alcoholic beverages or signs, which are clearly visible to the exterior, shall constitute a violation of this section.

Hours of Operation

The proposed hours of operation would be 8:00 am to 2:00 am daily, with alcoholic beverage service from 8:00 am until 11:00 pm only.

Security

The Police Department reviewed the applicant's proposed security policy as described in section F and in the revision dated October 31st, 2012. The Police Department recognizes the recent trend of movie theatre venues offering alcoholic beverage service to patrons. The Department also recognizes Port Theatre's intention to operate as a flexible venue by offering to show live sporting events, provide live performances and host other special events. Considering the services offered beyond traditional movie screenings the Police Department recommends the applicant's proposed policy should also include a provision for the use of licensed security services. Specifically, the Department recommends that clearly identifiable security personnel be employed when alcohol service is permitted in the lower theatre. The security personnel should be assigned only to security duties and be trained and licensed according to California Department of Consumer Affairs rules. Attire for security employees should be uniform in appearance, clearly identifying their purpose. Uniform appearance, for the purpose of this recommendation, may consist of traditional security uniforms or professional business attire (such as suits, ties or polo type shirts of the same color). A ratio of one security employee for every fifty patrons is recommended. Security personnel should not undertake other duties, such as food service or concession sales, which would distract them from their primary duties.

Employee Training

Require all owners, managers, and employees selling alcoholic beverages to undergo and successfully complete a certified training program in responsible methods and skills for serving and selling alcoholic beverages.

Recommended Conditions

To maintain quality of life for area residents and ensure the location remains consistent with the proposed business model of a modern multi-use theatre, the Police Department

has determined that the following conditions would be appropriate for the Conditional Use Permit:

- 1. Approval does not permit the venue to operate as a bar, tavern, cocktail lounge or nightclub as defined by the Newport Beach Municipal Code, unless the Planning Commission first approves such permit.
- 2. Alcohol service and consumption shall only be permitted in conjunction with theatre screenings, live entertainment and other actual events. At no time shall stand alone alcohol service and consumption be permitted. This condition does not prohibit alcohol service and consumption during show intermissions and other routine breaks in entertainment.
- 3. The sale of alcoholic beverages for consumption off the premises is prohibited.
- 4. No more than two (2) alcoholic beverages shall be sold or served to any one (1) person at any one (1) time.
- 5. Alcoholic beverage service shall be permitted on the second level mezzanine, which shall only be accessible by patrons 21 years or older.
- 6. Alcoholic beverage service and consumption shall only be permitted on the lower level of the theatre for public events when the event or screenings are restricted to patrons 21 years and older.
- 7. Alcoholic beverage service in the lower level theatre shall not be permitted for any public event or screenings when patrons or persons under 21 years old are present. Alcoholic beverage service may be offered on the second level mezzanine, accessible only to patrons 21 years or older. Access to the second level mezzanine during such events will be strictly monitored.
- 8. Alcoholic beverage service on the lower level theatre may be permitted for closed private events or special events only after obtaining a Special Event Permit from The City.
- 9. No "happy hour" type of reduced price alcoholic beverage promotion shall be allowed at any time.
- 10. There shall be no alcoholic beverage sales or alcoholic beverage consumption permitted after 11:00 p.m.
- 11. No games or contests requiring or involving the consumption of alcoholic beverages shall be permitted at any time.

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- 12. The applicant shall not share any profits or pay any percentage or commission to any outside promoter or any other person based upon monies collected as a door charge, cover charge, or any other form of admission charge, including minimum drink orders or the sale of drinks.
- 13. The quarterly gross sales of alcoholic beverages shall not exceed the gross sales of food during the same period. The licensee shall at all times maintain records, which reflect separately the gross sales of food and the gross sales of alcoholic beverages of the licensed business. These records shall be kept no less frequently than on a quarterly basis and shall be made available to the Police Department on demand.
- 14. There shall be no dancing allowed on the premises. The applicant may apply for a Special Event permit granting an exception to this condition when an event, such as a wedding or other private function, might require such consideration.
- 15. Strict adherence to maximum occupancy limits is required.

If you have any questions, please contact Detective Mario Montero at (949) 644-3706.

Mario Montero, ABC/Vice/Intelligence

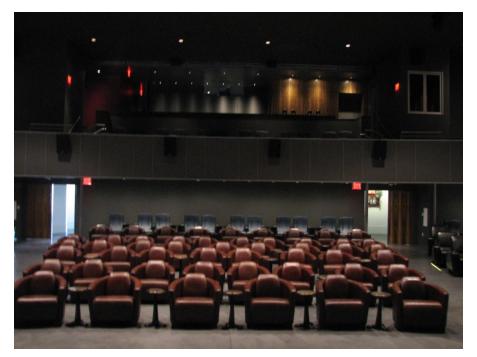
Detective Division

Dale Johnson, Captain
Detective Division Commander

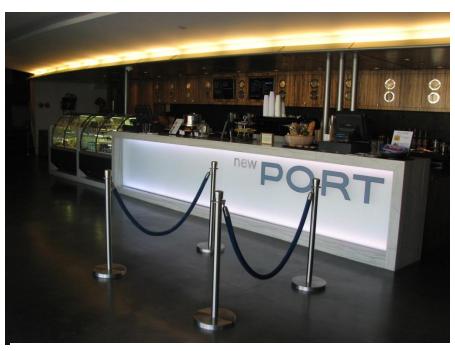
Site Photos



Second level mezzanine bar/concessions area, taken 11-20-12



First level seating and second level mezzanine, taken 11-20-12



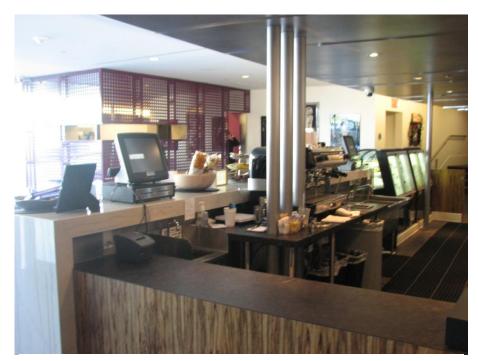
Lobby entrance concessions area, taken 11-20-12



View of the screen from the first level seating area, taken 11-20-12 $\ensuremath{\text{61}}$



Exterior of the Port Theater, taken 04-27-12



Lobby concessions stand, taken 11-20-12



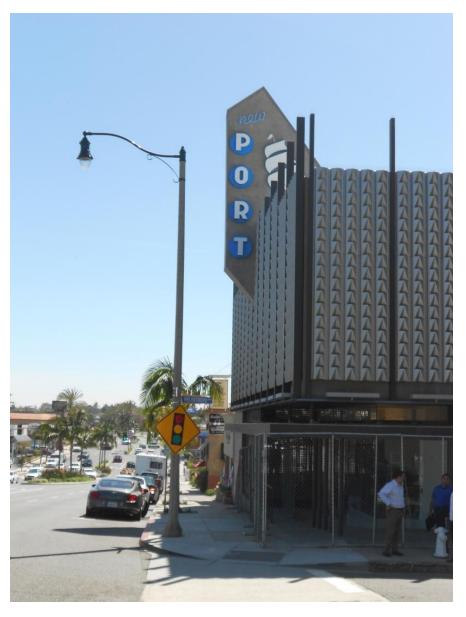
Exterior of the Port Theater entrance from East Coast Highway Taken 08-03-12



Food and beverage display case at the lobby concession standstaken 11-20-12



Exterior of the Port Theater from the south side of East Coast Highway while under construction, taken 03-21-12



Exterior of the Port Theater from the north side of East Coast Highway while under construction, taken 03-21-12



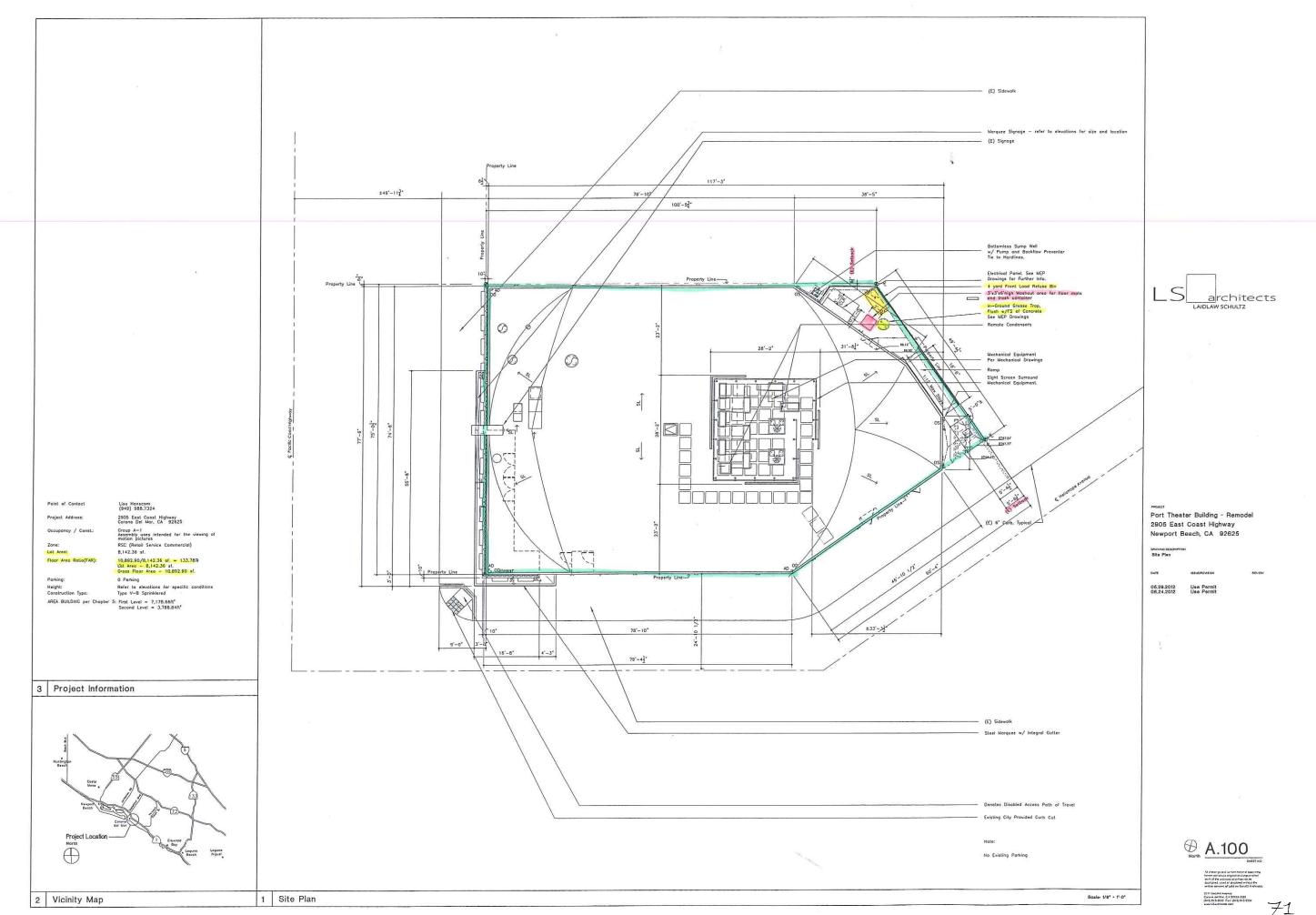
Adjacent uses from the south side of East Coast Highway while under construction, taken 11-20-12

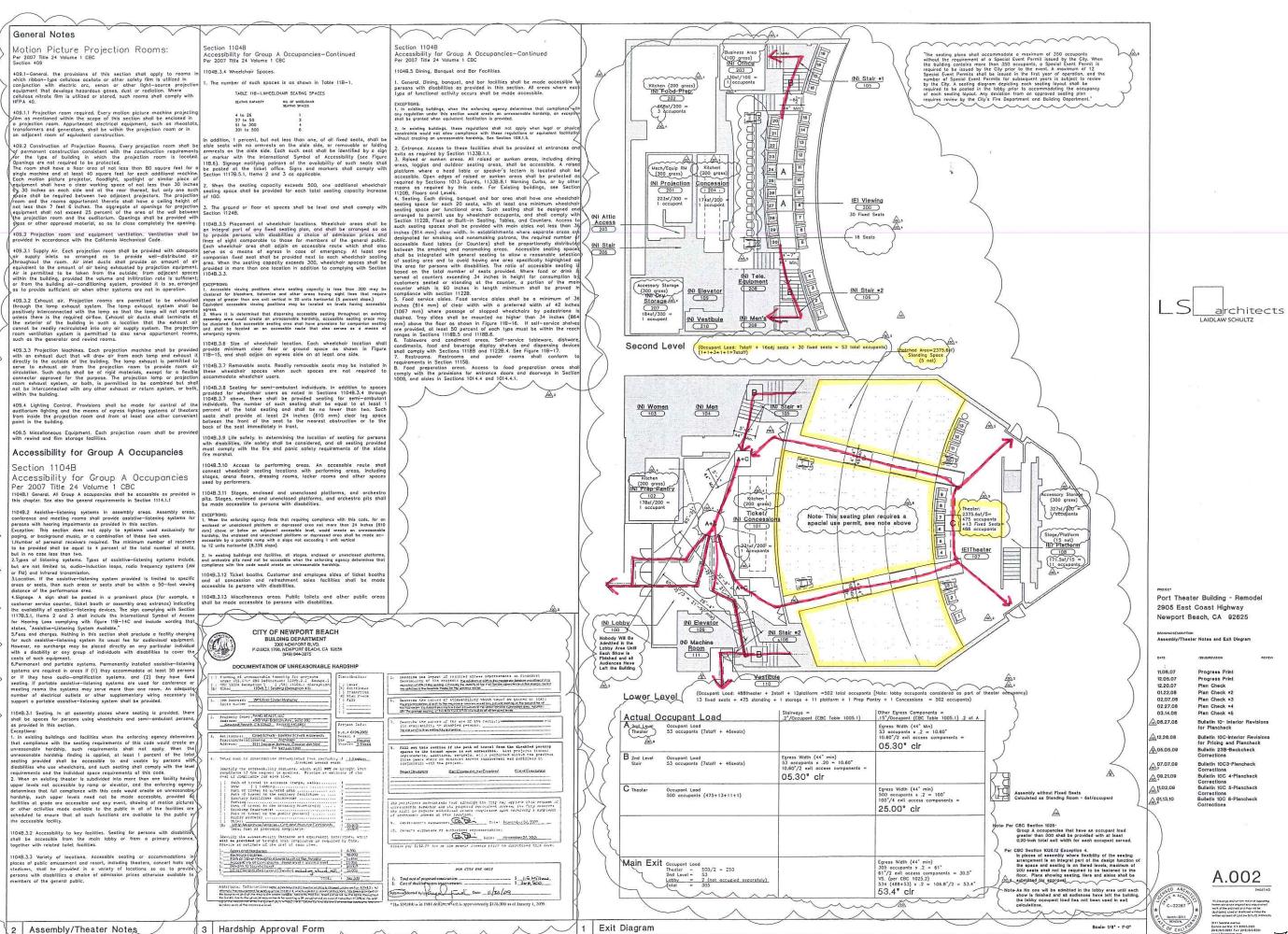


Adjacent commercial uses taken from the south of the subject property, taken 11-20-12

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Project Plans





F

